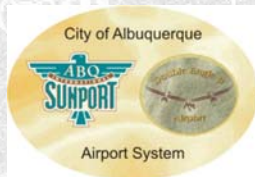




Status of the Foreign Trade Zone at the Albuquerque International Sunport



**City of Albuquerque
Aviation Department
March 24, 2006**

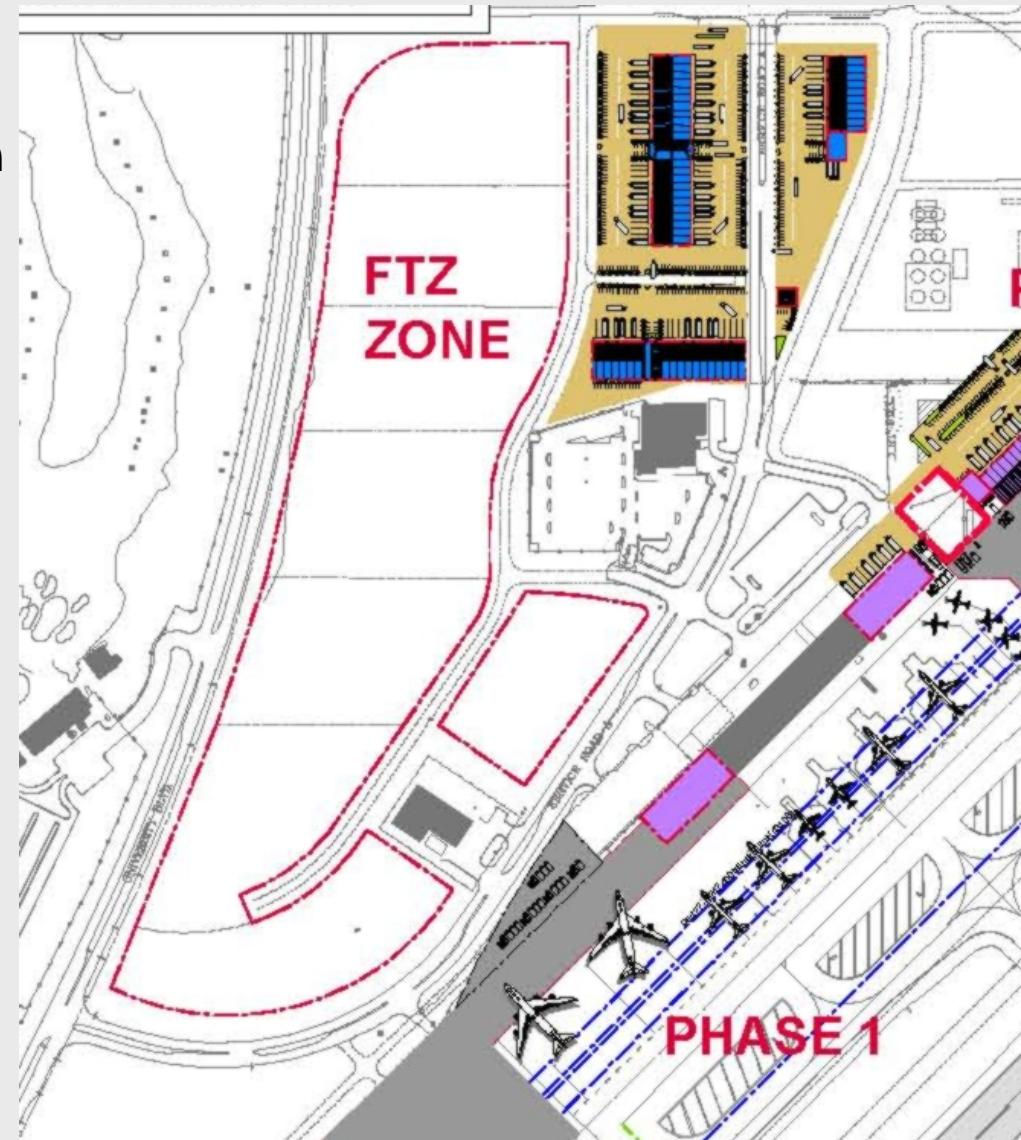
Overview

➤ Development Action Plan

- ❖ Foreign Trade Zone (FTZ) activation
- ❖ Boundary modification
- ❖ UNM Press Building acquisition
- ❖ Site development
- ❖ Additional facilities
- ❖ FTZ operator
- ❖ Dual marketing potential

➤ Marketing Plan

- ❖ Public workshops
- ❖ Local business contact
- ❖ Business assistance program



Development Action Plan – 1 of 2

➤ FTZ activation

- ❖ Scheduled for June 1, 2006
- ❖ Requires completion of several documents that are submitted to the port director with Customs and Border Protection (CBP) – includes
 - Request for approval to activate
 - Description of site (entire general purpose zone) and area to be activated (former UNM Press Building)
 - Blueprints for the area to be activated
 - Procedures manual
 - Listing and screening of key personnel
 - Posting of a minimum \$50K bond
- ❖ Processing of all documents is currently underway



➤ Boundary modification

- ❖ With construction of Spirit Drive connection, additional land became available to expand area, boundary modification has been submitted to CBP for approval

➤ UNM Press Building acquisition

- ❖ Aviation Department purchased facility in February 2006, will take occupancy June 1, 2006



Development Action Plan – 2 of 2

➤ Site development and additional facilities

- ❖ Advertised for RFP for consultant to provide site development plan and design for additional 40,000 square foot lease facility
- ❖ RFP's submitted March 22, 2006
- ❖ Begin design in May 2006, complete site development plan and building design in September 2006, begin building construction and identify funds for remainder of site development in September 2006



➤ FTZ operator

- ❖ Aviation Department is current operator
- ❖ As business grows Aviation will assess whether to increase staff and continue operating, turn over operation of the FTZ to one of the tenants or hire a third party operator for the FTZ

➤ Dual marketing potential

- ❖ FTZ site is currently about 70 acres
- ❖ Design firm for site development will be tasked with designing to accommodate FTZ needs at site as well as a non-FTZ business park (Sunport Center)
- ❖ Critical to support both the FTZ as well as the business park to diversify revenue for the Aviation Department



Marketing Plan



➤ Public workshops

- ❖ Held a workshop for the business community October 14, 2005, hosted by Senator Bingaman and Mayor Chavez, presentations were made by Aviation Department, U.S. Dept. of Commerce and Leigh Fisher Associates, approximately 80 attendees

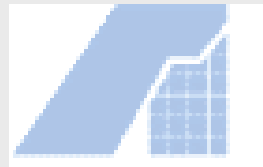
➤ Local business contact

- ❖ Aviation Department and Leigh Fisher, in conjunction with Mayor's Office of Economic Development and Albuquerque Economic Development have made dozens of visits to local businesses to make presentations on benefits of the FTZ
- ❖ Aviation Department has issued solicitation of interest letters to several local businesses, have received responses from four companies interested in creating sub-zones or locating in the FTZ at the Sunport



➤ Business assistance program

- ❖ Created a foreign trade zones fact sheet (attached to this report) to provide general information to local businesses about the benefit of an FTZ, includes a worksheet to determine cost effectiveness of FTZ use
- ❖ Have contracted with consultant to provide assistance to local business for processing of documents needed to allow them to operate within the FTZ



Summary

- **FTZ scheduled to be activated June 1, 2006 with final approvals from CBP**
- **Current marketing program has generated considerable interest in use of the benefits of an FTZ**
- **Marketing program will be continued for several years**
- **Subject to growth, operation of the FTZ may be turned over to one of the anchor tenants or to a third party operator**
- **FTZ will be developed and marketed as the Sunport Center to allow for revenue diversification through business park lease facilities**
- **FTZ provides great benefit potential to the City of Albuquerque economy**

